GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2835
ANSWERED ON:15.03.2001
INVESTMENT IN PETROLEUM SECTOR
IQBAL AHMED SARADGI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the government has decided to allow 100 per cent investment by foreign companies in hydrocarbon sector;

(b) whether a 10 year tax holiday has also been introduced for foreign investment in the oil sector;

(c) if so, whether the Minister of Finance has announced that during the next 25 years, India requires $ 100 billion investment in petroleum sector; and

(d) if so, the extent to which India has been able to attract the investment from the foreign companies?

Answer

Minister of State in the Ministry of Petroleum and Natural Gas (Shri Santosh Kumar Gangwar)

(a) Foreign Direct Investment (FDI) has been allowed ranging from 51% to 100% for projects in different areas in hydrocarbon sector.

(b) Under Section 80-IB of the Income Tax Act a seven-year tax holiday is allowed.

(c) A group headed by Finance Minister prepared `Hydrocarbon Vision 2025`. It envisages an investment of Rs. 2,50,000 crore (US $ 59.52 billion) and Rs.1,35,000 crore (US $ 32.14 billion) upto 2025 for infrastructural development in Refinery and Marketing Sectors respectively.

(d) During the period, August 1991 to December 2000 the total inflow of FDI is Rs. 89,286.53 crore including for Hydrocarbon Sector.